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MINISTRY OF HEALTH AND LONG-TERM CARE

Ontario

2001 Bed Allocations

Program Overview

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1.0 Introduction

1.1 Purpose of the Document

This document has been created to provide general information and an overview of the Ontario government's process for the 2001 long-term care bed allocations. It has been set up to answer your most common questions about what you can expect, what has changed from previous bed allocation processes and how you can prepare for the upcoming application process. As you read through the document you will notice that additional information is available through the website and other ministry publications.

1.2 Background and Context

Ontario's long-term care facilities provide care for people who are not able to live independently in their own homes, even with the assistance of community support services, and in-home professional care and who require a 24-hour nursing service be available to meet their nursing personal care needs. Long-term care facilities provide a range of services to meet the needs of residents including accommodation, meals, nursing and personal care, as well as a variety of social and recreational activities.

In April of 1998, the Ontario government announced its intention to invest $1.2 billion in long-term care. This investment included the addition of 20,000 new long-term care beds by the year 2006. These beds include both new construction and additions to existing facilities. In 1998 and 1999 long-term care beds were awarded to eligible operators across the province. The remaining approximately 5,500 beds will be available for allocation in the 2001 process.

In an effort to ensure new beds are available as soon as possible, in March 1999, Premier Harris made the commitment to accelerate the process and complete the construction of the new beds by 2004.

A new funding policy entitled "Policy for Funding Construction Costs of Long-term Care Facilities" (Construction Funding Policy- available from the ministry) was also introduced in 1998. This policy provides a single, consistent funding approach for capital construction costs and a set of mandatory design standards for both not-for-profit and for-profit long-term care facilities. It supersedes all other previous ministry funding policies for long-term care facilities, and is the primary mechanism through which the ministry will aid with the construction costs for all long-term care facilities in the province. Under this policy the ministry will provide, upon completion of construction, a maximum of $10.35 per bed per day over a 20 year period to support payment of loans secured by operators to pay for the building of the beds.

As part of the effort to meet the 2004 deadline, the government has established an office in the Ministry of Health and Long-Term Care to oversee implementation and assist recipients to build new beds.

2.0 What is the 2001 Bed Allocations Process?

Those who were involved in or aware of the 1998 and 1999 process will see substantial differences in the 2001 process. The 1998 and 1999 RFP public tendering process is being replaced with an ***application process***. This allows for greater flexibility for applicants and the ministry, less rigid procedures, and a more collaborative process between the ministry, applicants and other program players.

2.1 Why did the Ministry decide to change the process?

In preparation for the 2001 process, the ministry conducted a critical review of the 1998 and 1999 awards processes. The review included discussions and input from various sources including operators, the long-term care associations, ministry staff, and other appropriate information sources. An analysis was made of what worked well and what could be changed to improve the award process. The result is a more streamlined, less cumbersome process, which respects the lessons learned from the 1998 and 1999 experiences and considers the needs of government and the industry.

The 2001 allocation process intends to:

- reduce the burden on applicants, by requiring the submission of the minimum information necessary to enable assessment
- be more accessible and encourage the participation of all interested parties
- encourage, through communication and outreach sessions, industry and public/private co-operation, and partnerships
- move quickly, with announcements about allocations expected by March 2001
- maximize flexibility in the selection of experienced and capable operators who can meet the need for long-term care beds in the Province

2.2 What is new and different in the 2001 process?

The key differences in the 2001 process include:

1. **A requirement for applicant to own or have an option or long term lease on land**
    - The short timelines required to meet the 2004 timeframe for occupancy means that applicants need to be prepared to begin construction as quickly as possible. Experience has shown that the acquisition of land is one of the most important factors contributing to timely completion.

2. **An outreach campaign for interested parties in advance of the opening of the application process**
    - Consistent, clear and timely information about the 2001 allocation process will be provided before the applications process opens. This includes information sessions held in selected Ontario communities and information available through the ministry website.

3. **Disclosure to applicants of the Ministry's preferred bed locations**
    - To assist applicants in their decision making the ministry is identifying preferred bed locations for 2001 (see Appendix A). The 2001 approach uses a bed allocation methodology that takes into consideration need and demand factors as well as flexibility for applicants in their search for suitable sites.

4. **Assessment of applications on the basis of financial, development and operational experience and capacity**
    - The ministry is putting an emphasis on ensuring that applicants have the capacity to complete the project in the 2004 timeframe. Information will be requested in the areas of finance, development and operations which will satisfy the reviewers that the applicants and their teams have prior experience with successful completion of projects of similar scope and size and the capacity to undertake the proposed development. This is not intended to preclude less experienced applicants, but rather to encourage the creation of teams and partnerships of experienced members where necessary.

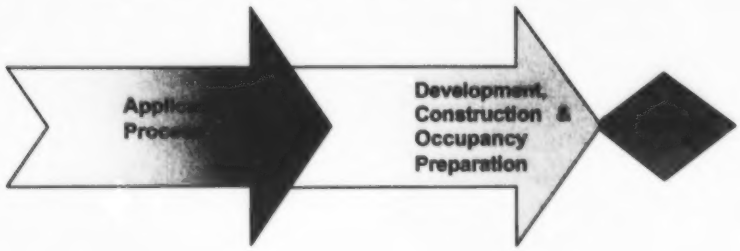
5. **An expectation that applicants demonstrate they can complete the project by March 2004**
    - The ability of applicants to complete the development steps within the projected timeframe will be emphasized. The timeframes are shorter since this is the last round of applications, and the government has committed to complete the project by 2004.

6. **Use of one core ministry team to assess all applications.**
    - In order to provide consistency, one centralized team will be responsible for assessing applications. This team will include experts from all the areas under review and will work closely together to ensure a fair process for all applicants.

3.0 The 2001 Bed Allocations

The 2001 bed allocations process includes two major phases. The "Application Process" phase and the "Development, Construction and Occupancy Preparation" phase as shown in figure 1.

Figure 1: 2001 Bed Allocations Process



- Communication and Outreach
- Application Submission and Assessment
- Notification of Successful Candidates
- Land Planning and Design
- Construction
- Preparation for Occupancy

3.1 Application Process Phase

This phase includes all the activities from the start of the process until the notification of successful candidates. It includes:

3.1.1 Communication and Outreach

- ***Where can I learn more about the 2001 Bed Allocations?***

Information will be provided using bulletins and the ministry's web site to reach as many people as possible as part of the communication and outreach component of the project. This will provide potential applicants with more detailed information on the following:

- timing and process for the 2001 bed allocations
- existing LTC beds by location, locations of 1998 and 1999 bed awards, and the ministry's preferred locations for the 2001 allocations
- timing and location of outreach sessions
- how to seek assistance from the ministry

- ***Will the Ministry be asking for any information before the applications are submitted?***

The ministry is looking for ways to determine what the market interest is for the final allocation of beds and as a result is asking potential applicants to complete an ***Intent to Apply*** form by October 13th, 2000. This form is voluntary. It in no way binds individuals who complete it to commit to what is written, or excludes any potential applicant from submitting an application if he/she does not submit the form. It will, however, provide helpful information to the ministry about operator interest for this final phase in the bed allocation process. The form is available on the web-site, through fax, and mail when requested.

3.1.2 Applications Submission and Assessment

- ***How do I apply for the 2001 beds?***

The applications process for the 2001 beds will open in November 2000 in the form of a set of ***Application Guidelines***. You will have approximately eight weeks to complete the application. The application guidelines will contain detailed expectations of the applicant to provide the information required to assess each application for financial, operational and development experience and capacity. It will also identify the general information required such as the names of the members of the applicant's team and their commitment to the project.

- ***What if I am new to the process and don't think I have the experience to be considered?***

Although there is an increased emphasis on experience and capacity, this is not meant to preclude organizations or individuals from applying who individually may not have the necessary prior experience. This is, however, an opportunity for you to begin to think about the team you would need to create to meet the requirements in the areas of finance, development and operations. In order to ensure that the 2004 timelines for occupancy are met, applicants need to be prepared to begin design, construction and eventual operations as soon as possible. Experience with successful projects of similar scope and size is one way for the ministry to feel confident that the applicant has a full understanding of what is being undertaken, as well as the capacity to complete the project.

- ***What if I wish to make an application for an area outside the preferred bed locations the ministry has identified?***

The ministry is asking for applications within the preferred locations identified in Appendix A. These locations have been identified as a guideline at this time and may undergo some changes as the ministry accommodates for beds returned from the 1998 and 1999 awards. The final bed numbers will be available as part of the Application Guidelines to be issued in November 2000.

The ministry will only consider applications submitted outside the finalized preferred bed locations in the following situations:

1) If you are proposing additional beds to an existing facility you may put forward an application outside the preferred bed locations. Your application must be within an identified Service Area (see Appendix A) **and** you will need to provide sufficient market justification for your proposed beds outside the preferred bed location.

2) If you are proposing a new facility, which is intended to serve the needs of a special population, you may put forward an application for consideration outside the preferred bed locations. Your application must be within an identified Service Area (see Appendix A) **and** you will need to provide sufficient justification as to why the needs of the special population cannot be met by building your facility within the preferred bed location. The justification required will include a market/demographic analysis and a business plan.

- ***How will my application be assessed?***

You will be required to submit a complete application package. The complete application will then be reviewed in a process that includes 3 elements. Further more specific details on the application assessment process and review criteria will be found in the Applications Guidelines to be issued in November 2000.

Part One - Eligibility Determination

Each applicant must own or have an option on land or long-term lease (minimum 20 year lease) in order to qualify for further assessment. Eligible applications will proceed to Part Two.

Part Two - Individual Assessment

Each application will be assessed individually in terms of financial, development and operational experience and capacity to meet the ministry's objectives. Applications, which, in the view of the ministry, show the experience and capacity to meet the program objectives, will proceed to Part Three.

Part Three - Assessment on Relative Merits

Applications will be reviewed for their merits relative to each other. On the basis of this review, the Minister will select the applicants to receive allocations.

3.1.3 Notification of Successful Candidates

- ***When will I find out if I am successful?***

The assessment process will take place over an approximately 8 week period from January 2001 to March 2001. Applicants will be notified of the Minister's allocations around March 2001.

Those receiving allocations will be required to enter into a ***Development Agreement*** with the ministry. This agreement sets out the various responsibilities of the parties with regard to the development of new facilities or add-on beds in existing facilities. This will include, for example, specific milestones and timelines to be achieved.

3.2 Development, Construction and Occupancy Preparation Phase

This phase includes all the activities that occur after the creation of the Development Agreement to the ministry's approval to operate the facility. The ministry will only issue the approval to operate the facility when the ministry is satisfied that all elements of the Development Agreement and all applicable ministry standards have been met and necessary operating approvals have been obtained.

This phase includes:

3.2.1 Land Planning and Design

- ***What is involved in Land Planning and Design?***

During this period you will negotiate and obtain all necessary municipal or other approvals for the construction of LTC facilities and will create designs in accordance with the ministry standards. As you move through this process you may find the need to ask for assistance from the ministry to clarify issues or processes. The ministry will also closely monitor your progress against the timelines identified in the Development Agreement and will review all approvals, permits and design elements prior to construction. Based on its review of the permits and designs the ministry will decide if the submissions meet the MOHLTC standards and are in keeping with the proposal. Once this occurs, you would receive approval to proceed with construction.

- ***What are the timelines for the Land Planning and Design portion?***

The land planning and design activities will proceed over an approximately 12-18 month period. The time period will vary from project to project, however, you will need to be as efficient as possible in order to meet the 2004 completion timeline.

3.2.2 Construction

- ***What is involved in the Construction period and what are the timelines?***

During the construction period you and the ministry work together to ensure that the construction occurs according to appropriate and approved plans and timeframes. The timeframes will be defined in the Development Agreement. The ministry will conduct periodic reviews of construction progress against plans and will assist you to achieve the standards by providing information and problem-solving advice.

Once the ministry has signed off that the facility has been constructed according to all applicable standards, you will be given the go ahead to proceed to the preparation for

occupancy phase of the program. In order to ensure timely completion of the preparation for occupancy, you should be considering the requirements for this component early in the construction phase.

3.2.3 Preparation for Occupancy

In this phase of the program, the ministry will work with you to assist you to be adequately prepared to open and operate according to the ministry standards and all elements contained in the Development Agreement. The preparations for this phase may easily overlap with elements of the construction phase.

At least eight months prior to the expected date of occupancy you will be expected to provide detailed program descriptions, management and administrative structures and protocols, and staffing plans for your LTC facility. The ministry will conduct regular reviews of the activities required to prepare for occupancy, and will assist you to meet the standards by providing information and problem solving advice.

During this phase you will also be obtaining and submitting all required signed government operating approvals. Once the ministry is satisfied that all elements of the Development Agreement have been met, the ministry will issue the approval to operate the facility, and will enter into a ***Service Agreement*** with you. This Agreement governs the on-going operation of the facility by the operator and payment to the operator by the ministry.

4.0 Summary

The 2001 allocation process will complete the initiatives associated with the government's undertaking to add 20,000 new long-term care beds in the Province of Ontario. It has been created by taking into account what worked well and what needed to be improved in the previous processes. As well, the government's commitment to complete the program by 2004 has created the added impetus to move at a rapid pace, reducing the time and expense to the industry as well as to the ministry.

This final allocation of long-term care beds is intended to be an association between long-term care operators, other industry participants and stakeholders, and the Ministry of Health and Long-Term Care.

5.0 Where do I Look for Further Information?

1) **Ministry Bulletins-** specific bulletins which include information on preferred bed allocations as well as the location of the outreach sessions

2) **Ministry Website** – log on to the website to view bulletins and other relevant information.

www.gov.on.ca/health

3) Information can be obtained by :

Calling Toll free: 1-888-720-1010
Or Calling Locally: (416) 314-0400
Or By Fax: (416) 314-0028
Or by e-mail: LTCRP@moh.gov.on.ca

Or by Mail to:

Ministry of Health and Long-Term Care
Long-Term Care Redevelopment Project
415 Yonge Street- 10th Floor
Toronto, Ontario
M5B 2E7

4) **Associations-** Certain associations may also have information which could be helpful for you:

Ontario Association of Non Profit Homes and Services for Seniors (OANHSS) (905) 851-8821

Ontario Long-Term Care Association (OLTCA) (905) 470-8995

Note: This document is provided for general information and educational purposes only. The Application Guidelines available in November 2000 will be used for formal reference.

Appendix A: Ministry of Health and Long-Term Care- 2001 Bed Allocations

Service Area	New Beds Available	Preferred Location(s) By Census Subdivision [1]
Brant	32	Brantford
Durham	89	Ajax Pickering
Essex	137	Belle River St. Clair Beach Tecumseh
Haliburton/Northumberland/Victoria	166	Lindsay Port Hope
Halton	356	Burlington Halton Hills Milton Oakville
Hamilton/Wentworth	270	Ancaster Hamilton Stoney Creek
Lambton	32	Grand Bend Forest Thedford
Toronto	2,334	Toronto West[2] - 1,644 beds Toronto East[3] - 690 beds
Middlesex	32	London
Muskoka	70	Bracebridge
Niagara	72	Niagara Falls St. Catharines Thorold
Ottawa/Carleton	210	Kanata Nepean Osgoode Ottawa Vanier
Parry Sound	109	Parry Sound Powassan Trout Creek
Peel	642	Brampton Caledon Mississauga
Peterborough	32	Otonabee Peterborough
Simcoe	127	Barrie/Innisfill Bradford West Gwillimbury Orillia
Sudbury/Manitoulin	32	City of Sudbury Espanola
Waterloo	275	Cambridge Kitchener Waterloo
York	300	King City Markham Richmond Hill Vaughan

Notes:

1. Bed allocations based on data from April 1998 Ministry of Health announcement on new long-term care beds. These estimates are subject to change.
2. **Toronto West** boundary is anywhere west of Yonge St. and extends up to the area south of Highway 7 and east of Highway 10 (Hurontario St.).
3. **Toronto East** boundary is anywhere east of Yonge St. (and includes the former boundary of Scarborough) and extends up to the area south of Highway 7 and west of Highway 404.